



KENTOR GOLD LTD

RIGHTS ISSUE OFFER DOCUMENT

**KENTOR GOLD LTD
ABN 52 082 658 080**

Joint Lead Managers

RBS Morgans Corporate Limited

Helmsec Global Capital Limited



**DETAILS OF A 5 FOR 17 NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE OF
ORDINARY SHARES AT AN ISSUE PRICE OF \$0.60 PER SHARE TO RAISE
APPROXIMATELY \$20.5 MILLION**

THE RIGHTS ISSUE CLOSSES AT 5.00PM (AEST) ON MONDAY 13 AUGUST 2012

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety.

If you have any queries, please call your professional adviser or the Kentor Gold Ltd Shareholder Information Line on 1300 366 176 or for international callers, +61 2 8280 7420, Monday to Friday between 8.30 am and 5.30 pm (AEST).

Not for distribution or release in the United States or to, or for the account or benefit of, U.S. Persons

This page has been left blank intentionally)

Introduction

This Offer Document is dated 19 July 2012 and has been prepared by Kentor Gold Ltd (**KGL**). It is an important document and requires your immediate attention. It should be read in its entirety. This Offer Document has been prepared under section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35) which permits companies to conduct rights issues without preparing a prospectus and lodging it with ASIC.

Your investment decision regarding the Rights Issue should be based on the information contained in this Offer Document, announcements made to ASX by KGL and other information available on the Company's website at www.kentorgold.com.au. This Offer Document is not financial product advice and has been prepared without taking into account any person's investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Rights Issue is appropriate having regard to your particular circumstances or any queries on the specific consequences for you as a result of any such participation, you should contact your stockbroker, accountant or other professional adviser.

Section 2 of this Offer Document contains detailed information on how to apply for New Shares under the Rights Issue. You should read this information carefully. Your Entitlement and Acceptance Form (accompanying this Offer Document) and payment of Application Monies must be received at the Registry by 5.00 pm on Monday 13 August 2012.

If you do not take up your Entitlement under the Rights Issue (in whole or in part), you will not receive any payment or value for your Entitlement. In particular, as the Rights Issue is non-renounceable, you will not be able to sell your Entitlement on the ASX.

Definitions and currency

Certain terms used in this Offer Document are defined in the Glossary in Section 4 of this Offer Document.

All financial amounts shown in this Offer Document are in Australian dollars unless otherwise stated.

All times and dates refer to AEST.

Future performance and forward looking statements

Neither KGL nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made under this Offer Document. Forward looking statements, opinions and estimates provided in the Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market, industry and political trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of KGL and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Offer Document.

Foreign jurisdictions

This Offer Document has been prepared to comply with the requirements of the securities laws of the Commonwealth of Australia.

The New Shares being offered under this Offer Document are also being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). This Offer Document is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Subject to the preceding paragraph, no action has been taken to register or qualify the Rights Issue, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia. The distribution of this Offer Document (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Offer Document, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The following selling restrictions relate to the issue of New Shares under the Rights Issue:

(a) United States

This Offer Document does not constitute an offer of New Shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. Person or in any other jurisdiction in which such an offer would be illegal. Neither the Entitlements nor the New Shares have been or will be registered under the Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the New Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

(b) New Zealand

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the *Securities Act 1978* (New Zealand).

In accordance with relevant New Zealand securities law, a person who, on the Record Date, being 7.00 pm on Wednesday 25 July 2012, was registered as a holder of Shares with a New Zealand address but who, at the time this Rights Issue and Top-Up Offer opens (Friday 27 July 2012) no longer holds Shares, is not eligible to participate in this Rights Issue.

Joint Lead Managers

The Joint Lead Managers:

- have not authorised, permitted, or caused the issue, lodgement, submission, despatch or provision of this Offer Document;
- do not make, or purport to make, any statement in this Offer Document and there is no statement in this Offer Document which is based on any statement by the Joint Lead Managers; and
- to the maximum extent possible by law, disclaim all liability in respect of and otherwise take no responsibility for any of the information contained in this Offer Document.

KEY DATES

The indicative timetable for the Placement and the Rights Issue is as follows:

Event	Date
Trading halt requested	Tuesday 10 July 2012
Placement announced	Tuesday 17 July 2012
Announcement of Rights Issue, Offer Document, ASX Appendix 3B and Cleansing Notice lodged with ASX	Tuesday 17 July 2012
Notify option holders of requirement to exercise option to take part in Rights Issue	Tuesday 17 July 2012
Notice sent to Shareholders containing ASX Appendix 3B details, indicative timetable	Wednesday 18 July 2012
Shares commence trading ex-Rights	Thursday 19 July 2012
Placement funds available	Monday 23 July 2012
Record Date for the Rights Issue	Wednesday 25 July 2012
Opening Date for the Rights Issue	Friday 27 July 2012
Mailing of Entitlement and Acceptance Form to Eligible Shareholders	Friday 27 July 2012
Closing Date for the Rights Issue	Monday 13 August 2012
Shares quoted on a deferred settlement basis	Tuesday 14 August 2012
ASX notified of under-subscriptions	Thursday 16 August 2012
Issue and allotment of the New Shares for which valid applications have been received and accepted by KGL	Tuesday 21 August 2012
Dispatch of holding statements	Tuesday 21 August 2012
Last day of deferred settlement trading of New Shares under the Rights Issue	Tuesday 21 August 2012
Normal trading of New Shares on ASX expected to commence	Wednesday 22 August 2012

* Dates and times are indicative only and are subject to the Listing Rules. Dates are subject to change at KGL's absolute discretion.

CONTENTS

1.	DETAILS OF THE RIGHTS ISSUE	5
2.	HOW TO APPLY	16
3.	ADDITIONAL INFORMATION.....	20
4.	GLOSSARY	27

ANNEXURE

Investor Presentation

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board of Kentor Gold Ltd (**KGL**), I am pleased to invite you to participate in this Rights Issue that will allow you to subscribe for new additional Shares in your company.

Company Update

Over the past 18 months your company has successfully diversified its assets through the acquisition of Jinka Minerals Limited. This acquisition added two valuable assets to our portfolio namely the Murchison Gold Project in Western Australia and the Jervois Copper and Base Metals Project in the Northern Territory. First production of gold from the Murchison Gold Project is expected this month and the Jervois Copper and Base Metals Project is currently in feasibility stage.

Despite the acquisition of these assets, KGL remains focused on the development of the Andash Gold-Copper Project located in the Kyrgyz Republic. Whilst we have been frustrated by delays to this project, KGL continues to work diligently to progress this project to development phase.

Use of Funds

KGL is seeking to raise up to approximately \$20.5 million through this Rights Issue. In addition, KGL has during the past week completed a Placement which raised gross proceeds of \$6.2 million. The holders of Placement Shares will be entitled to participate in the Rights Issue. Details of the Placement are described further in Section 1.2 of this Offer Document.

The funds raised will be used to advance the development activities at both the Murchison Gold Project in Western Australia and the Jervois Copper and Base Metals Project in the Northern Territory as well as address the Company's working capital and overhead requirements.

Terms of the Offer

In accordance with the terms of this Offer Document, Eligible Shareholders will have the opportunity to subscribe for 5 New Shares for every 17 Shares held at 7.00 pm on Wednesday 25 July 2012. The Issue Price of the New Shares will be \$0.60 per New Share. The Issue Price represents a 20% discount to the closing market price of Shares on the ASX of \$0.75 on Monday 9 July 2012, the last day of trading on ASX before KGL announced that it would conduct the Rights Issue and a 20.4% discount to the 5 day volume weighted average price of \$0.754 per Share. New Shares will rank equally from allotment with Existing Shares in all respects.

Importantly, Eligible Shareholders will also be able to apply for Shares in excess of their entitlement through the Top-Up Offer. There is, however, no guarantee of the number of Shares (if any) that will be available for Eligible Shareholders to take up in addition to their entitlement under the Rights Issue. The Directors reserve the right to satisfy applications in the Top-Up Offer at their sole discretion. Please refer to section 1.8 for full details.

KGL has entered into the Underwriting Agreement with KMP Investments Pte Ltd (**KMP**), a substantial shareholder of the Company. Under the terms of the Underwriting Agreement, KMP has agreed to subscribe for up to approximately 8.3 million New Shares not taken up by Eligible Shareholders at \$0.60 per Share. This will raise a total of approximately \$5.0 million. In addition, KMP has committed to taking up the full amount of its Entitlement of 6.8 million Shares which will raise an additional \$4.1 million.

The Rights Issue closes at 5.00 pm on Monday 13 August 2012. Further information on how to take up your Entitlement and how to apply for additional New Shares in the Top-Up Offer is provided in this Offer Document.

All the Directors of KGL intend to participate in the Rights Issue by taking up all or part of their Entitlements.

If you have any questions in respect of the Offer, please call either the KGL Shareholder Information Line on 1300 366 176 (toll free from within Australia) or +612 8280 7420 (from outside Australia) or consult your stockbroker, accountant, solicitor, tax adviser or other professional adviser.

The Directors cannot guarantee the future performance of the Shares and we recommend that you refer to the risks set out in Section 3 of this Offer Document.

I nevertheless encourage you to consider the Rights Issue and thank you for your continuing support.

Yours Faithfully,

A handwritten signature in black ink, appearing to read "John Barr". The signature is written in a cursive style with a large initial 'J' and 'B'.

WH John Barr AM
Chairman

1. DETAILS OF THE RIGHTS ISSUE

1.1 Introduction

The Rights Issue is a non-renounceable pro-rata offer to Eligible Shareholders to acquire 5 New Shares for every 17 Shares held as at 7.00pm on the Record Date of Wednesday 25 July 2012 at an issue price of \$0.60 per New Share. Eligible Shareholders may also apply for additional shares under the Top-Up Offer.

As the Rights Issue is non-renounceable, Eligible Shareholders who do not take up their Entitlements by 5.00pm on the Closing Date of Monday 13 August 2012 will not receive any payment or value for those Entitlements, and their proportionate equity interest in KGL will be diluted.

New Shares issued pursuant to the Rights Issue will be fully paid and will rank equally with existing Shares.

1.2 Placement

The Company has also recently completed a Placement of 10 million Shares to KMP and other sophisticated and professional investors to raise a further \$6.2 million at \$0.62 per Share. KMP has committed to subscribe for approximately 7.5 million Shares as a part of the Placement (**KMP Placement Shares**).

The holders of the Placement Shares will be entitled to participate in the Rights Issue. It is intended that the Company will rely on section 708A (5) and will comply with 708A (6) of the Corporations Act so that the recipients of the Placement Shares will not be prevented from on-selling the Placement Shares without a disclosure document.

1.3 Use of Proceeds

In combination with the funds raised from the Placement, capital raised under the Rights Issue will be used by the Company to fund:

- (a) development activities at the Murchison Gold Project in Western Australia and the Jervois Copper and Base Metals Project in the Northern Territory which include:
 - (i) finalising the commissioning of the Murchison Gold Project (*Stage 1*);
 - (ii) the operation of the Murchison Gold Project;
 - (iii) a feasibility study and construction of a heap leach at the Murchison Gold Project (*Stage 2*); and
 - (iv) a feasibility study of the Jervois Copper and Base Metals Project;
- (b) exploration activities in respect of the Murchison Gold Project and the Jervois Copper and Base Metals Project;
- (c) maintaining the Company's interests in the Kyrgyz Republic;
- (d) corporate costs and overheads;
- (e) working capital requirements; and
- (f) costs and expenses associated with this Rights Issue and the Placement.

In accordance with the terms of the Underwriting Agreement and the obligations of KMP under the terms of its placement confirmation letter, the Company is guaranteed to raise approximately \$9.1 million pursuant to this Rights Issue. To the extent that KGL does not raise the full amount of funds it is seeking to raise under this Rights Issue, the Company will reduce its expenditure proportionately as required.

1.4 Effect of Placement and Rights Issue on KGL

The effect of the Placement and Rights Issue on the capital structure of KGL will be as follows:

Shares	Number
Number of Shares on issue as at Wednesday 11 July 2012, the day immediately prior to announcement of the Placement and the Rights Issue	106,209,874
Number of Placement Shares to be issued	10,000,000
Maximum number of New Shares to be issued under the Rights Issue	34,179,375
Number of Shares on issue following the Placement and the Rights Issue	150,389,249

1.5 Eligible Shareholders

Eligible Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares as at 7:00pm on the Record Date of Wednesday 25 July 2012 and continue to be a registered holder of Shares as at the Opening Date of Friday 27 July 2012;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of, any U.S. Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Rights Issue.

If you are an Eligible Shareholder, you may do either of the following:

- (a) take up all or part of your Entitlement (see Section 2 'How to Apply'); or
- (b) do nothing, in which case all of your Entitlement will lapse and you will receive no value or payment for your Entitlement.

Eligible Shareholders may also apply for New Shares under the Top-Up Offer.

As further explained in paragraphs 1.16 and 1.17, the Rights Issue is not being extended to any Shareholder with a registered address outside Australia and New Zealand.

1.6 Commencement of the Rights Issue

The Rights Issue opens on Friday 27 July 2012 and is expected to close at 5.00 pm on Monday 13 August 2012. Eligible Shareholders wishing to acquire New Shares under the

Rights Issue will need to complete the Entitlement and Acceptance Form which is expected to be mailed to Eligible Shareholders on 27 July 2012.

1.7 Applications

Detailed information on how to apply for New Shares is set out in Section 2 of this Offer Document. Applicants are encouraged to submit their Entitlement and Acceptance Forms, and pay the requisite Application Monies due as soon as possible after the Opening Date.

No allotment or issue of New Shares will be made under this Offer Document until the proceeds of the Rights Issue have been received by KGL and permission has been granted for official quotation of the New Shares on ASX. KGL has applied to ASX for quotation of the New Shares.

1.8 Top-Up Offer

Eligible Shareholders are also able to participate in a further discretionary offer of New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Rights Issue (**Top-Up Offer**). Listing Rule 7.11.4 and Section 708AA (13)(a) of the Corporations Act (as inserted by ASIC Class Order 08/35) permit KGL to make an additional offer of New Shares that may be comprised in any shortfall. It is a condition of the Top-Up Offer that the New Shares being offered may only be issued to a successful applicant where an offer of the New Shares has first been made to, but not accepted by, another Eligible Shareholder under the Rights Issue. New Shares which might otherwise have been offered to persons outside Australia and New Zealand are not included in the Top-Up Offer. In addition:

- (a) the Top-Up Offer is only made to Eligible Shareholders;
- (b) there is no guarantee that any application in the Top-Up Offer will be successful and the Directors reserve the right to issue any shortfall by way of the Top-Up Offer or by other means and reserve the right to satisfy applications in the Top-Up Offer at their sole discretion;
- (c) the Top-Up Offer has the same Closing Date;
- (d) the issue price of New Shares under the Top-Up Offer is the Issue Price; and
- (e) the Directors will not issue New Shares under the Top-Up Offer where to do so would result in a breach of the Corporations Act or the Listing Rules.

To the extent that any shortfall remains after allocation of the New Shares to Eligible Holders pursuant to the Top-Up Offer, that shortfall will be allocated to KMP in accordance with the Underwriting Agreement. To the extent that any shortfall remains after that the Joint Lead Managers will use their best endeavours to place those remaining shares.

Eligible Shareholders who are unsuccessful in the Top-Up Offer or whose application is only part accepted will have their excess Application Monies returned as soon as practicable after the Closing Date.

1.9 KMP Investments Pte Ltd

KGL and KMP have entered into the Underwriting Agreement which will result in the Company raising a minimum of \$9.1 million under the Rights Issue. New Shares with a value of up to approximately \$5 million not taken up by Eligible Shareholders under the Rights

Issue or allocated to Eligible Shareholders under the Top-Up Offer will be allocated to KMP. This allocation is in addition to the KMP Placement Shares KMP will be allocated as a part of the Placement, and the New Shares it will be allocated as a consequence of taking up its Entitlement in full under the Rights Issue. Further details of the Underwriting Agreement are set out in paragraph 1.14.

KMP has been a long term investor in KGL and is the largest shareholder of the Company, with a voting power of 14.67%. KMP is a subsidiary of the Salim Group, which is Indonesia's largest conglomerate. The group is a diverse transnational enterprise covering the areas of:

- (a) agriculture, food, automobile manufacturing, the building materials industry, chemical banking and financial services;
- (b) resorts and hotels;
- (c) real estate and industrial parks, resources and international trade, distribution and retail; and
- (d) communications and media, charitable and public welfare.

Salim Group has its base in Indonesia and its investments are spread over South East Asia, Hong Kong, North America and Australia.

As a consequence of the Placement, KMP will increase its shareholding in KGL to at least 19.9%. As such, the Board will invite KMP to appoint a suitable director to its Board. KGL will keep Shareholders informed of any new directors appointed to the Board.

1.10 Interest of KMP in the Company

Currently, KMP has a 14.67% percentage ownership interest (and voting power) in the Company. KMP will subscribe for the KMP Placement Shares and take up its full Entitlement under the Rights Issue. Therefore, if KMP is allocated all of the Underwritten Shares and no other Eligible Shareholders take up their Entitlements, KMP will acquire a percentage ownership interest (and voting power) in the Company of 29.1%.

Section 606 of the Corporations Act provides that a person must not acquire a relevant interest in issued voting shares in a listed company if that person's or someone else's voting power in the company increases from 20% or less to above 20%, or, increases by any amount, if that person's voting power is between 20% and 90% (**Section 606 Prohibition**). Item 10 of section 611 of the Corporations Act sets out one of the exemptions to the Section 606 Prohibition which provides that an increase to a person's voting power which results from that person accepting a pro-rata entitlement issue (such as this Offer), including as a result of underwriting that pro-rata entitlement issue, is exempt from the Section 606 Prohibition. KMP is relying upon that exemption.

KMP was approached to underwrite the Rights Issue after the structure of the capital raising needed to be altered in light of market conditions. Having made due enquiry and based on the experience of the Board, the Company determined there was no reasonable prospect of the Company :

- (a) obtaining a binding commitment to underwrite the Offer from a professional underwriter within the time required to allow the Company to raise the required funds; and
- (b) being able to obtain underwriting of the Offer on terms any more favourable to the Company than those contained in the Underwriting Agreement.

The following table indicates KMP's potential relevant percentage ownership interest (and voting power) following the Rights Issue:

	Shares held by KMP	Percentage ownership interest (and voting power) in the Company
Existing holding prior to the Placement and the Rights Issue	15.5 million	14.67%
Existing holding following the Placement, but prior to the Rights Issue	23.1 million	19.9%
If KMP takes up its Entitlement and all Eligible Shareholders take up their Entitlement in full	29.9 million	19.9%
If KMP takes up its Entitlement and Eligible Shareholders take up 75% of their Entitlement	36.8 million	24.5%
If KMP takes up its Entitlement and Eligible Shareholders take up 50% of their Entitlement	38.3 million	25.4%
If KMP takes up its Entitlement and Eligible Shareholders take up 25% of their Entitlement	38.3 million	27.7%
If KMP takes up its Entitlement and no Eligible Shareholders take up their Entitlement	38.3 million	29.1%

1.11 Effect of the Offer on the control of the Company

If all Eligible Shareholders take up their full Entitlements, then each Eligible Shareholder's percentage ownership interest (and voting power) in the Company will remain the same and there will be no effect on the control of the Company. If an Eligible Shareholder does not take up all of their Entitlement, its percentage ownership interest (and voting power) in the Company will be diluted. The proportional percentage ownership interests (and voting power) of Ineligible Shareholders will be diluted because such Shareholders are not entitled to take up New Shares under the Offer.

The Company considers that any such increase in the voting power of KMP in the Company may have a material effect on the control of the Company as KMP would, in those circumstances, be likely to have a greater degree of influence when voting on resolutions to be considered at Shareholder meetings. Notwithstanding this, the Board considers that such an effect is acceptable in the circumstances, as it would only occur where all Eligible Shareholders have had an equitable opportunity to participate in the Offer.

Given the increase in the voting power of KMP in the Company, the board of directors has extended an offer to KMP to nominate a director to the board of the Company.

1.12 Intentions of KMP

KMP presently has no intention to seek the introduction of any major changes to the business of the Company (including the redeployment of the fixed assets) or the employment of the employees of the Company.

1.13 Offer Management Agreement

In respect of the Placement, the Company has agreed to pay the Joint Lead Managers a capital raising fee of 5.0% (plus GST) of the proceeds raised under the Placement. In respect of the Rights Issue, the Company has agreed to pay the Joint Lead Managers 5.0% (plus GST) of the proceeds raised under the non-underwritten portion of the Rights Issue, being \$15.5 million and 4.0% of the underwritten portion of the Rights Issue, being \$5 million. The Company has also agreed to pay the Joint Lead Managers a capital raising fee of 5.0% in respect of the shortfall fee (that is any New Shares remaining after allocations have been made pursuant to the Top-Up Offer and the Underwritten Shares have been allocated to KMP in accordance with the Underwriting Agreement).

In addition, as set out in paragraph 1.22, the Company has agreed to pay a stamping fee of 1.5% (plus GST) in respect of the value of successful applications pursuant to an Entitlement and Acceptance Form application or BPAY application (capped at \$300 per application).

Customary and usual warranties and representations are given by the Company in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals, compliance with constituent documents, the Corporations Act and the Listing Rules, that this Offer Document does not contain any material statement that is misleading or deceptive and that there is no material omission from this Offer Document. In addition, further warranties and representations are given that the Placement Shares and the Rights Issue shares will rank equally with the Shares and that they will be freely tradeable.

Subject to certain exclusions relating to breaches of the Joint Lead Managers of their principal obligations under the Offer Management Agreement, wilful default, gross negligence or breaches of the law of the Offer Management Agreement, the Company agrees to indemnify the Joint Lead Managers and other members of their respective groups arising as a result of certain circumstances in connection with the Placement or the Rights Issue.

Either Joint Lead Manager may terminate the Offer Management Agreement by notice in writing to the Company and the other Joint Lead Manager on the occurrence of a number of customary termination events. These include:

- (a) a breach of a representation or warranty that in the reasonable opinion of the Joint Lead Managers has a material adverse impact on either the prospects of the Company or the price of its Shares;
- (b) the ASX's 'Small Resources Index' or the 'S&P All Ordinaries Gold Index' falling to a level that is 10% or more below that as at the date of the Offer Management Agreement, with such decrease likely to adversely affect the success of the Rights Issue or Placement;
- (c) the ASX's 'All Ordinaries Index' falling to a level that is 10% or more below that index immediately before the signing of the Offer Management Agreement and remains at that level for 3 consecutive trading days;
- (d) there is, in the reasonable opinion of the Joint Lead Managers, a material adverse change or an act, omission or thing that could reasonably be expected to result in a material adverse change in the financial position or prospects of the Company or the likelihood of investors to subscribe for the Placement Shares or the shortfall shares under the Top-Up Offer;
- (e) delisting of the Shares by the ASX or a refusal to grant the quotation of all of the Placement Securities and Rights Issue Securities by a certain date;

- (f) the Company or one of its related bodies corporate becoming insolvent;
- (g) a change in the membership of the Company's board of directors or in the position of managing director or executive director; or
- (h) ASIC makes specified declarations or commences investigatory proceedings.

If only one Joint Lead Manager terminates its rights and obligations under the Offer Management Agreement, the remaining Joint Lead Manager may elect to assume and perform the obligations, and will have the benefit of all of the rights, of the terminating Joint Lead Manager under the Offer Management Agreement.

1.14 Underwriting Agreement

Under the terms of the Underwriting Agreement, KMP has agreed to underwrite the subscription of approximately 8.3 million Shares in the Offer at \$0.60 per Share, amounting to approximately \$5 million (**Underwritten Shares**). KMP has agreed to subscribe for those Shares not taken up by Eligible Shareholders under the Rights Issue or allocated to Eligible Shareholders under the Top-Up Offer, on the Closing Date.

The Company has agreed to seek the immediate quotation on the ASX of all New Shares, despatch Offer Documents after receiving KMP's approval, give a cleansing notice to the ASX in relation to the Rights Issue, lodge corrective documents with the ASX if it becomes aware of a defect in this Offer Document and inform KMP immediately in writing of any termination event or breach or default under the Underwriting Agreement.

Customary and usual warranties and representations are given by the Company in relation to matters such as the power to enter into the Underwriting Agreement, corporate authority and approvals, compliance with constituent documents, the Corporations Act and the Listing Rules, that this Offer Document does not contain any material statement that is misleading or deceptive and that there is no material omission from this Offer Document. In addition, further warranties and representations are given that the Rights Issue shares will rank equally with the Shares and that they will be freely tradeable.

Standard warranties, representations and acknowledgements are provided by KMP in relation to its power to enter into the Underwriting Agreement, compliance with the Corporations Act and with the *Foreign Acquisitions and Takeovers Act 1975* (Cth), its status as a sophisticated or professional investor pursuant to section 708 of the Corporations Act (among others). It has agreed to indemnify the Company from and against all losses suffered by the Company and its affiliates in any way relating to or arising out of any breach of the acknowledgements, representations and warranties provided under the Underwriting Agreement.

KMP has also agreed not to deal with, lay-off or sub-syndicate any part or the whole of its commitment under the Underwriting Agreement, without the prior written consent of the Company.

KMP may terminate the Underwriting Agreement by notice in writing to the Company on the occurrence of a number of customary termination events. These include:

- (a) the Company failing to provide the 'no default' certificate annexed to the Underwriting Agreement (which essentially certifies that Company has complied with the terms of the Underwriting Agreement);
- (b) a breach of a representation or warranty that in the reasonable opinion of the KMP has a material adverse impact on either the prospects of the Company or the price of its Shares;

- (c) the ASX's 'All Ordinaries Index' falling to a level that is 10% or more below that index immediately before the signing of the Underwriting Agreement and remains at that level for 3 consecutive trading days (as defined in the Listing Rules);
- (d) there is a delay in any date specified in the timetable set out in this Offer Document which is greater than 3 Business Days for reasons not attributable to KMP or the deliberation of any governmental authority or statutory body conducting deliberations into the Underwriting Agreement;
- (e) delisting of the Shares by the ASX or a refusal to grant the quotation of all of the New Shares by the Closing Date (other than if quotation is delayed by orders of any governmental authority or statutory body for the purposes of that body conducting deliberations in to the arrangements set out in the Underwriting Agreement);
- (f) the Company or one of its related bodies corporate becoming insolvent;
- (g) a change in the membership of the Company's board of directors or in the position of managing director or executive director; or
- (h) ASIC makes specified declarations or commences investigatory proceedings.

The Company has agreed to pay KMP an underwriting fee of 1.0% (ex GST) of the total underwritten amount.

1.15 **Shareholder enquiries**

Eligible Shareholders who have questions regarding the Rights Issue should call the KGL Shareholder Information Line on 1300 366 176 (calls within Australia) or +612 8280 7420 (from outside Australia) at any time from 8.30 am to 5.30 pm Monday to Friday. Additional information about the Company is available at the Company's website at www.kentorgold.com.au.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Rights Issue is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

1.16 **Overseas Shareholders**

The Offer is being made to Eligible Shareholders with a registered address in Australia or New Zealand only.

In accordance with the Listing Rules and the Corporations Act, KGL has decided that it would be unreasonable to extend the Rights Issue to Shareholders with a registered address in a place outside Australia or New Zealand, having regard to:

- (a) the number of Shareholders with a registered address in those countries;
- (b) the number and value of New Shares that would be offered under the Rights Issue to Shareholders with a registered address in those countries; and
- (c) costs of complying with legal and other regulatory requirements in those countries.

This Offer Document and the Entitlement and Acceptance Form do not constitute an offer, or an invitation to subscribe for New Shares in any place in which it would not be lawful to make

such an offer or invitation. Where this Offer Document has been dispatched to Shareholders with a registered address outside Australia and New Zealand and where the relevant jurisdictions laws prohibit or restrict in any way the making of the Offer, this Offer Document is provided for information purposes only.

The return of a duly completed Entitlement and Acceptance Form with the requisite Application Monies, or making a payment of Application Monies by BPAY, will constitute a representation and a warranty by the applicant that there has been no breach of any such laws.

1.17 Treatment of Ineligible Shareholders

In accordance with section 615 of the Corporations Act, the Company has appointed the Nominee (subject to approval by ASIC), on nominal commercial terms, to act as nominee of the Ineligible Shareholders. The Nominee is a wholly owned subsidiary of RBS Morgans Corporate Limited. The Company will transfer to the Nominee the New Shares that would otherwise be issued to Ineligible Shareholders who accept the Offer and will sell those shares and distribute to each of those Ineligible Shareholders their proportion of proceeds of the sale (if any) net of expenses. Neither KGL, nor the Nominee will be liable for the failure to sell the New Shares or the failure to sell those at any particular price.

1.18 What is the position with nominees?

The Rights Issue is being made to all Eligible Shareholders. KGL is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

KGL is not able to advise on foreign securities laws.

1.19 Warranties made on acceptance of the Rights Issue

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, or making a payment of Application Monies via BPAY, you will be deemed to have acknowledged, represented and warranted that you are an Eligible Shareholder.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you and each person on whose account you are acting are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person, and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares under the Rights Issue;
- (b) you and each person on whose account you are acting acknowledge that the Entitlements and New Shares have not been and will not be registered under the

Securities Act or the securities laws of any state or other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and

- (c) you and each person on whose account you are acting have not and will not send any materials relating to the Rights Issue to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

1.20 **Refunds**

Any Application Monies received from Eligible Shareholders for more than their Entitlement of New Shares, including, amounts received pursuant to the Top-Up Offer, or from Ineligible Shareholders will be refunded as soon as practicable after the Closing Date. No interest will be paid to applicants on any Application Monies received or refunded.

1.21 **Option holders**

Existing KGL option holders will not be entitled to participate in the Rights Issue unless they:

- (a) have become entitled to exercise their existing options under the terms of their issue and are issued Shares on such exercise prior to the Record Date; and
- (b) are eligible to participate in the Rights Issue as a result of being a holder of Shares on the Record Date and otherwise satisfying the eligibility requirements set out in paragraph 1.5.

If the Company proceeds with the Rights Issue, the exercise price of options held by existing KGL option holders will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

1.22 **Stamping Fee**

A stamping fee of 1.5% (plus GST) of the value of successful applications pursuant to an Entitlement and Acceptance Form application or BPAY application will be payable by the Company, subject to the following conditions:

- (a) the stamping fee will be limited to \$300 in respect of any one Entitlement and Acceptance Form;
- (b) where an Eligible Shareholder lodges more than one Entitlement and Acceptance Form, the fee is only payable on one Entitlement and Acceptance Form;
- (c) if an individual is applying on behalf of more than one beneficial holder, a list of beneficial holders must be provided in order to receive up to the maximum amount of \$300 per beneficial holder;
- (d) stamping fees will only be paid to participating organisations of the ASX (being those entities recognised as full service brokers or non-advisory brokers by the ASX); and
- (e) stamping fees will only be paid on applications where a stamping fee claim form and schedule is submitted to the Registry no later than 5.00 pm AEST on Tuesday 21 August 2012. The stamping fee will not be paid by the Company if the stamping fee claim form and schedule is received after 5:00 pm AEST on Monday 27 August

2012. The stamping fee claim form and schedule (including details of how to submit this form) is available from the Registry at the address or telephone number listed in the corporate directory.

2. HOW TO APPLY

2.1 Your Entitlement

Under the Rights Issue, Eligible Shareholders are being offered the opportunity to subscribe for 5 New Shares for every 17 Shares held at 7.00 pm on the Record Date of Wednesday 25 July 2012 at the Issue Price of \$0.60 per New Share.

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 5 New Shares for every 17 Shares held at 7.00 pm on the Record Date. Eligible Shareholders may also apply for additional Shares through the Top-Up Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Entitlement and Acceptance Form also contains instructions for participation in the Top-Up Offer.

If you have more than one holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding, New Shares issued under the Rights Issue will be fully paid and rank equally with existing Shares.

Please note that the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where you are holding Shares on behalf of a person who is not an Eligible Shareholder.

2.2 Your Application

If you decide to take up all or part of your Entitlement, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY by following the instructions set out on the Entitlement and Acceptance Form. KGL will treat you as applying for as many New Shares as your payment will pay for in full, but no more than your Entitlement.

If you are paying by BPAY, please make sure to use the specific "Biller Code" and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you receive more than one Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form.

If you take no action you will not be allocated any New Shares and your Entitlement will lapse. Your Entitlement to participate in the Rights Issue is non-renounceable and will not be tradeable or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before 5:00pm on the Closing Date of Monday 13 August 2012 you will be allotted your New Shares on Wednesday 21 August 2012.

KGL reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominee fails to provide information to substantiate their claims.

The Entitlement and Acceptance Form also contains instructions for payment arrangements for the Top-Up Offer.

2.3 Acceptance of the Rights Issue

The method of acceptance of the Rights Issue will depend on your method of payment, being either:

- (a) by BPAY; or
- (b) by cheque, bank draft or money order.

Payment by BPAY

For payment by BPAY, please follow the instructions on the Entitlement and Acceptance Form (which includes the Biller Code and your unique CRN). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that if you choose to pay by BPAY:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 5.00 pm on the Closing Date of Monday 13 August 2012. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares will be refunded to you. No interest will be paid on any Application Monies received or refunded.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on that Form and return the Form accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Kentor Gold Ltd Rights Issue" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- (a) for an amount equal to \$0.60 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares will be refunded. No interest will be paid on any Application Monies received or refunded.

Cash payments will **not** be accepted. Receipts for payment will not be issued.

2.4 Mail

The Rights Issue closes at 5.00 pm on the Closing Date of Monday 13 August 2012. To participate in the Rights Issue, your payment must be received no later than this time on that date. Eligible Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with Application Monies using the reply paid envelope provided with this Offer Document, or mail it to:

Kentor Gold Ltd
c/- Link Market Services Limited
GPO Box 3560
Sydney, NSW 2001
Australia

2.5 No brokerage

Shareholders who participate in the Rights Issue will not be charged brokerage or commissions in relation to their acceptance of their Entitlement.

2.6 Stamping Fee

The Company will pay a stamping fee of 1.5% (plus GST) of the value of successful applications pursuant to an Entitlement and Acceptance Form application or BPAY application under the Rights Issue to participating organisations of the ASX (being those entities recognised as full service brokers or non-advisory brokers by the ASX) as further described in paragraph 1.22. This is capped at \$300 per application.

2.7 No cooling off period

Cooling off rights do not apply to an investment in New Shares under the Rights Issue. You cannot withdraw your application once it has been accepted. Further, Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred.

2.8 Investment decision

The Rights Issue is being made under provisions of the Corporations Act which allow rights issues to be made without preparing a prospectus lodged with ASIC. As a result, it is important for Eligible Shareholders to read and understand the information on KGL and the Rights Issue made publicly available, prior to accepting all or part of their Entitlement. In particular, you should read this Offer Document, KGL's annual reports, ASX announcements, and other announcements made available on the Company's website at www.kentorgold.com.au.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. KGL is not licensed to provide financial product advice in respect of the New Shares. This Offer Document does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

Before deciding whether to apply for New Shares, you should consider whether it is a suitable investment for you in light of your own investment objectives and financial

circumstances and having regard to the merits or risks involved. If you have any queries as to whether participation in the Rights Issue is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

3. ADDITIONAL INFORMATION

3.1 Risks

The historic share price performance of the Shares provides no guidance as to the Company's future share price performance.

There are a number of risks, both specific to KGL and general investment risks, which may materially and adversely affect the future performance of KGL and the value of its Shares.

KGL has taken steps to put in place safeguards and appropriate systems and actions to mitigate risks but it cannot guarantee that these safeguards and systems will be effective.

Some risks are outside the control of KGL and its Directors and cannot be mitigated. This section describes a number of risks associated with an investment in New Shares. Shareholders should note that this list of risks is not exhaustive as it is not possible to identify all risks.

None of the Directors, KGL or any person associated with KGL guarantees the performance of KGL, the performance of New Shares offered under the Rights Issue, the payment of dividends or the market price at which the New Shares and Shares will trade.

Shareholders should have regard to their own investment objectives and financial circumstances, and should consider seeking professional guidance from their accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Prior to making a decision in respect of taking up Entitlements, you should read this Offer Document in its entirety and any other information provided to you by KGL carefully and consider the following risk factors.

It should be noted that the risks set out below are risks to which you are already exposed in relation to your existing shareholding in KGL.

General risk factors

Shareholders should be aware that there are risks associated with any investment listed on ASX. The value of New Shares may rise above or fall below the Issue Price, depending on the financial condition and operating performance of KGL. Further, the price at which Shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of KGL and over which KGL and its Directors have no control. These external factors include:

- (a) economic conditions and business climate in Australia and overseas, in particular, the Kyrgyz Republic;
- (b) stock market fluctuations;
- (c) commodity price fluctuations, in particular, gold prices;
- (d) liquidity of Shares and the lack of an active market for Shares;
- (e) dilution of shareholding due to future capital raisings;
- (f) changes in fiscal, monetary, regulatory and other government policies;

- (g) geo-political conditions such as acts or threats of terrorism or military conflicts;
- (h) sovereign risk issues; and
- (i) any future changes to tax laws or accounting standards.

Company specific risk factors

Investors should also be aware that there are certain risk factors that are specific to KGL AMC (being the Company that holds the relevant licences in respect of the Andash Gold-Copper Project and the entity in which KGL currently holds a 100% participation interest) and the gold and copper exploration and development activities conducted by it. Some of these company specific risk factors include:

(a) Kyrgyz Legislation

The Kyrgyz Government and Parliament are considering a number of changes to legislation and regulations. Four draft laws that may affect the areas of company taxation, royalties payable from gold operations, mining and exploration tenements, were endorsed by Parliament on 26 June 2012, the last day before the two month summer recess. The draft laws are now before the President, who may ratify them or reject them. A further three proposed laws are currently being drafted by the Kyrgyz Government. No legislative changes have been passed and no specific changes have been endorsed, however, changes in these areas may have an impact on the Company's projects in the Kyrgyz Republic.

In addition, there have been numerous statements and proposals made in relation to the major gold mine in the Kyrgyz Republic at Kumtor that is owned by the listed Canadian company, Centerra Gold, Inc. These statements are specific to Kumtor and no indication has been made that these comments or proposals will affect other mining projects in the Kyrgyz Republic.

(b) Licences / permits

Permits relating to the Andash exploration licence were due for renewal as of 31 December 2011. An application was submitted in full compliance with the governing regulations, but no response has yet been received from the State Agency for Geology and Mineral Resources. Additionally, AMC is seeking to obtain an amendment to the terms of its mining licence. Currently the mining licence requires the commencement of production in 2012. KGL has requested this be amended to reflect the delays that have been encountered in gaining land access.

(c) Land access

The process to obtain approval from the entire community of the Kopuro Bazar village, located near the Andash Project site, to enable the Andash Project to proceed is still ongoing. An environmental audit by an independent consultant is now underway in order to address the concerns of some of the community in regard to the environmental impact of the project. This is expected to be a 2 - 3 month process. Progress toward obtaining such approval has slowed. To date a majority of households in the village have expressed support for the project with an influential minority opposing development. The Company plans to provide a 1% royalty to community development projects in the local village, district and province and direct participation and profits of the project for every household in the village. This has been included in the financial model.

(d) Environmental risks

The operations and proposed activities of AMC are subject to laws and regulation concerning the environment. In the Kyrgyz Republic, the Company's operations and activities are subject to the environmental laws and regulations of the Kyrgyz Republic. As with most exploration projects and mining operations, the activities of AMC are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. KGL and AMC attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. The Company's environmental plans will be subjected to an independent audit with results expected in 2 - 3 months.

(e) Resource Estimations and Production Estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should KGL encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the operations of KGL.

(f) Exploration, development, mining and processing risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) successful conclusions to feasibility studies;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (iv) securing and maintaining title to tenements and compliance with the terms of those tenements;
- (v) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for

liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of KGL.

(g) Key Personnel

The success of KGL depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate in the metals and mining industry and the ability of KGL to retain its key executives.

(h) Asset impairment for Andash Mining Project

The Company received an unqualified audit report for the period ending 31 December 2011. However the report contained an 'Emphasis of Matter' that drew attention to a disclosure in the financial notes regarding "consideration of asset impairment for Andash Mining Project". The note concluded that the directors had considered a detailed risk assessment of the project's likely development at the year end, considering the developments in the last twelve months, and were confident that the project was still very likely to proceed. Therefore, no impairment losses were recognised at 31 December 2011. If the Andash Mining Project was not to proceed (or directors formed a view that this was likely) there is a risk that the value of this asset would be impaired and written down in the Company's accounts.

(i) Termination risk under the Underwriting Agreement

Given the termination rights under the Underwriting Agreement, there is a risk that that the Underwriting Agreement may be terminated before the Rights Issue completes, with the potential result that the Company will fail to raise the \$5 million it currently expects to raise.

(j) Termination risk under the Offer Management Agreement

This termination 'risk' is also present in the Offer Management Agreement in that the Company or the Joint Lead Managers have termination rights in limited circumstances. If the Offer Management Agreement is terminated, then the Joint Lead Managers would not place the Shares the subject of a shortfall under this Rights Issue.

(k) Change in voting power risk

If Eligible Shareholders do not take up their full Entitlements, KMP will be required to subscribe for the Underwritten Shares. This will result in an increase in the percentage interest (and voting power) of KMP in the Company and could result in KMP acquiring a significant interest in the Company. See paragraph 1.10 for more information.

(l) Capital raising risk

If a significant number of Eligible Shareholders do not participate in the Rights Issue, a substantial shortfall may result that is in excess of the value of the Underwritten Shares. Should this occur, the Company will revise the use of funds to match the total amount raised through the Placement and the Rights Issue. This may result in

some of the Company's projects being delayed or having the extent of the scope reduced.

3.2 Dividends

Any future dividend payments of KGL will be determined by the Board having regard to the operating results and financial position of KGL and there is no guarantee that any dividends will be paid or, if paid, that they will be paid at previous levels. No dividends are currently contemplated to be paid in the near term.

The future dividend policy of KGL will be determined in light of a number of factors including, most importantly, the profitability of its business and the terms of the financing arrangements of KGL. The profitability of KGL will be affected by such matters as its trading performance, level of borrowings, tax paid and the various risk factors set out above.

3.3 Taxation law

Set out below is a summary of the Australian tax implications of the Rights Issue for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets. The summary below does not necessarily apply to Eligible Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment.

The summary below does not necessarily apply to Eligible Shareholders whose Shares are held through an employee share plan or whose Shares are held as revenue assets or trading stock.

The summary below also does not take account of the individual circumstances of any particular Eligible Shareholder. Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers. Eligible Shareholders who are residents of New Zealand for New Zealand tax purposes should seek their own advice.

The summary below is based on the law in effect as at the date of this Offer Document.

Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Shareholder.

Acceptance of Entitlements

Eligible Shareholders who accept their Entitlements and subscribe for New Shares will acquire those shares with a cost base for capital gains tax (**CGT**) purposes equal to the Issue Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring those shares. Eligible Shareholders will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares.

New Shares

Eligible Shareholders who accept their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those shares is described above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those New Shares, an Eligible Shareholder that is an individual, trust or complying superannuation fund must have held the New Shares for at least 12 months after that date before the disposal occurs (in addition to satisfying any other conditions affecting the ability of the Shareholder to benefit from the CGT discount).

Other Australian taxes

No Australian Goods and Services Tax (**GST**) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

3.4 Information availability

Eligible Shareholders in Australia and New Zealand may obtain a copy of this Offer Document during the period of the Rights Issue on the Company's website at www.kentorgold.com.au or by calling the KGL Shareholder Information Line on 1300 366 176 (within Australia) or +612 8280 7420 (from outside Australia) at any time from 8.30 am to 5.30 pm Monday to Friday during the Rights Issue period. Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document including the Annexure.

A replacement Entitlement and Acceptance Form can be requested by calling the KGL Shareholder Information Line.

3.5 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Rights Issue that is not contained in this Offer Document.

Any information or representation that is not in this Offer Document may not be relied on as having been authorised by KGL, or its related bodies corporate in connection with the Rights Issue. Except as required by law, and only to the extent so required, none of KGL, or any other person, warrants or guarantees the future performance of KGL or any return on any investment made under this Offer Document.

3.6 Privacy

KGL and the Registry advise that Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of KGL. Information is collected to administer your Shareholding and if some or all of the information is not collected then it might not be possible to administer your Shareholding. Your personal information may be disclosed to KGL. You can obtain access to your personal information by contacting the Registry at the address or telephone number listed in the corporate directory. The Registry's privacy policy is available on its website (<http://www.linkmarketservices.com.au/public/help/privacy.html>).

3.7 **Governing law**

This Offer Document, the Rights Issue and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Queensland, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

4. GLOSSARY

Term	Definition
AEST	means Australian Eastern Standard Time
AMC	means Andash Mining Company, a limited liability company registered in the Kyrgyz Republic
Application	means an application for New Shares lodged in accordance with the instructions in this Offer Document and the Entitlement and Acceptance Form
Application Monies	means a payment or payments made to subscribe for New Shares
ASIC	means the Australian Securities and Investments Commission
ASX	means ASX Limited ABN 98 008 624 691 or, as the context requires, a financial market operated by it
Board	means the Board of Directors of KGL as at the date of this Offer Document
BPAY	means BPAY Pty Limited ABN 69 079 137 518
Closing Date	is 5.00 pm, Monday 13 August 2012
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
Directors	means the directors of the Company
Eligible Shareholders	has the meaning given in paragraph 1.5
Entitlement	means the number of New Shares for which an Eligible Shareholder is entitled to subscribe
Entitlement and Acceptance Form or Form	means the personalised entitlement and acceptance form accompanying this Offer Document which Eligible Shareholders may use to apply for New Shares
Ineligible Shareholders	means all Shareholders other than Eligible Shareholders
Issue Price	means \$0.60 per New Share
Joint Lead Managers	means RBS Morgans Corporate Limited and Helmsec Global Capital Limited
KGL or Company	means Kentor Gold Ltd ACN 082 658 080
KMP	means KMP Investments Pte Ltd
Listing Rules	means the listing rules of the ASX

Term	Definition
New Share	means a Share issued under the Rights Issue
Nominee	means Berne No 132 Nominees Pty Limited ACN 010 413 591
Offer	means the offer of New Shares made under the Rights Issue
Offer Document	means this document including the Annexure in relation to the Offer
Offer Management Agreement	means the offer management agreement entered into between the Joint Lead Managers and the Company on or about 10 July 2012, as amended from time to time
Opening Date	means 9.00 am, Friday 27 July 2012
Placement	means the offer of 10 million Placement Shares at an issue price of \$0.62 each to sophisticated and professional investors referred to in this Offer Document
Placement Shares	means the Shares issued in accordance with the Placement
Record Date	means the time and date for determining entitlements to participate in the Rights Issue, being 7.00 pm, Wednesday 25 July 2012
Registry	means Link Market Services Limited
Rights Issue	means the 5 for 17 non-renounceable pro-rata rights issue to subscribe for New Shares at the Issue Price set out in this Offer Document and the Entitlement and Acceptance Form
Securities Act	means the <i>United States Securities Act</i> of 1933
Share	means a fully paid ordinary share in the capital of KGL
Shareholder	means a registered holder of Shares
Shareholding	means all of the Shares held by a relevant Shareholder
Top-Up Offer	means the offer described in paragraph 1.8
Underwriting Agreement	means the underwriting agreement dated 13 July 2012 between KMP and the Company under which KMP has agreed to underwrite the subscription of 8.3 million New Shares in connection with this Rights Issue.
U.S. Person	is as defined in Regulation S of the Securities Act

ANNEXURE

Investor Presentation



KENTOR GOLD LTD

Kentor Gold

Capital Raising Presentation
17 July 2012

Agenda

1. Capital Raising
2. Company Overview
3. Board and Management
4. Murchison Gold Project – Australia
5. Jervois Copper Gold Project – Australia
6. Andash Gold Copper Project – Kyrgyz Republic
7. Risks

Investment Highlights

- ✓ Advanced projects with first gold production expected mid-2012
- ✓ Diversified portfolio with addition of Australian assets
- ✓ Strong exploration upside on all assets
- ✓ Andash project provides further upside:
 - High grade concentrate highly sought after
 - Near-term development (Definitive Feasibility Study complete)
 - Very low cash costs (net cash cost of US\$29/oz after copper credits)
- ✓ Management has a strong track record in gold-copper projects

3

KENTOR GOLD LTD

Capital Raising - Overview

Offer size and structure	<ul style="list-style-type: none">▪ Capital raising to raise up to \$26.7m by way of:<ul style="list-style-type: none">– an Institutional Placement of 10.0m shares to raise \$6.2m; and– a 5 for 17 Non-Renounceable Entitlement Offer to raise up to \$20.5m▪ Placement shares will be eligible to participate in the Entitlement Offer▪ Eligible shareholders will be able to apply for additional shares above their entitlement through a "Top-Up Offer" in the Entitlement Offer▪ Total shares to be issued under the proposed capital raising is up to 44.2m
Offer price	<ul style="list-style-type: none">▪ Offer price for the Placement of \$0.62 per new share, which represents:<ul style="list-style-type: none">– 17.3% discount to last traded price of \$0.750– 17.7% discount to the 5 day VWAP of \$0.754▪ Offer price for the Entitlement Offer of \$0.60 per new share, which represents:<ul style="list-style-type: none">– 20.0% discount to last traded price of \$0.750– 20.4% discount to the 5 day VWAP of \$0.754– 15.2% discount to the fully diluted¹ Theoretical Ex Rights Price ("TERP") of \$0.707
Use of Proceeds	<ul style="list-style-type: none">▪ Funds raised through the capital raising will focus on the development of Kentor's Australian assets including advancing production at the Murchison Project and conducting a feasibility at Jervois. Proceeds will also be attributed to corporate overheads, working capital and offer costs
Cornerstone investor	<ul style="list-style-type: none">▪ Kentor's largest shareholder, KMP Investments ("KMP") is making a total commitment of up to \$13.8m in the capital raising▪ KMP has committed to take up \$4.7m in the Placement and its full entitlement in the Entitlement Offer of \$4.1m moving to a 19.9% shareholding▪ KMP will also underwrite a further \$5.0m of the Entitlement Offer

¹Fully diluted TERP includes both Placement and Entitlement Offer shares 4

KENTOR GOLD LTD

KMP Investments

Overview of KMP Investments

- KMP is a subsidiary of the Salim Group which is Indonesia's largest conglomerate. The group is a diverse transnational enterprise covering (amongst other) the areas of:
 - Agriculture, Food, Automobile Manufacturing, Building Materials Industry, Chemical, Banking and Financial Services.
- Salim Group is based in Indonesia, with investments spread across South-East Asia, Hong Kong, North America and Australia.

KMP's commitment in the Kentor Gold capital raising

- \$4.7m (7.5m shares) in the Placement to take KMP to a 19.9% shareholding in Kentor;
- Commitment to take up full entitlement of \$4.1m (6.8m shares) in the Entitlement Offer; and
- Underwriting a further \$5.0m of the Entitlement Offer.

KMP's total commitment under the capital raising is \$13.8m.

The Board of Kentor have offered KMP the opportunity to nominate a director to join the board.

KMP Investments

KMP's potential shareholding¹

	Shares held by KMP	KMP's percentage ownership in Kentor
Existing holding (prior to capital raising)	15.5m	14.7%
Holding following the Placement (but before Entitlement Offer)	23.1m	19.9%
Holding following Entitlement Offer if KMP takes up its entitlement and all other eligible holders take up their entitlement in full	29.9m	19.9%
Holding following Entitlement Offer if KMP takes up its entitlement and eligible holders take up 75% of their entitlement	36.8m	24.5%
Holding following Entitlement Offer if KMP takes up its entitlement and eligible holders take up 50% of their entitlement	38.3m	25.4%
Holding following Entitlement Offer if KMP takes up its entitlement and eligible holders take up 25% of their entitlement	38.3m	27.7%
Holding following Entitlement Offer if KMP takes up its entitlement and no eligible holders take up their entitlement ²	38.3m	29.1%

¹ Kentor and KMP are relying on s611 of the Corporations Act that provides an exemption for rights issues to s606 which prohibits persons from moving above 20% ownership without shareholder approval.

² KMP have committed to take up their full entitlement in the Entitlement Offer equal to 19.9% of the offer. Under a scenario where there were no other applications in the Entitlement Offer, the maximum shareholding KMP can achieve under the capital raising is 29.1%.

Financial – Historical Expenditure

Cash Balance Dec 2010	\$71.4m
Andash Development	\$15.4m
Acquisition Jinka Minerals	\$14.9m
Purchase & Move Indee Heap Leach Plant	\$2.6m
Commence Murchison Plant Construction	\$7.9m
Pre-operating costs	\$7.9m
Murchison Exploration	\$3.0m
Jervois Exploration	\$4.7m
Kyrgyz Exploration	\$0.3m
Other Investments	\$0.3m
Administration	\$4.32m
Balance as at 30 June 2012	\$9.9m

- Delays at Andash necessitated a revised strategy to deliver value for shareholders
- Kentor now has three projects and \$9.9m in cash pre capital raising

7

KENTOR GOLD LTD

Financial – Source and Use of Funds

Expenditure to June 2013	
Finalise Murchison Stage 1	\$6.7m
Murchison Mine Development & Exploration	\$1.7m
Heap Leach Feasibility & Capital	\$8.6m
Jervois Feasibility & Exploration	\$9.0m
Kyrgyz Office & Andash	\$1.2m
Project Development & Overheads	\$6.5m
Working Capital	\$6.7m
Total	\$40.4m

Source of Funds	
Cash on Hand	\$9.9m
Asset sales*	\$5.5m
Capital Raising (net of costs)	~\$25.0m
Total	\$40.4m

*Kentor has negotiated the sale of 2 Ball Mills to the original supplier. The Mills will be repurchased at the appropriate development stage.

8

KENTOR GOLD LTD

Indicative Timetable

Timetable

Trading Halt requested	Tuesday, 10 July 2012
Capital raising announced to ASX and Kentor shares recommence trading	Tuesday, 17 July 2012
Shares commence trading ex entitlement	Thursday, 19 July 2012
Settlement and allotment of Placement	Monday, 23 July 2012
Placement shares commence trading	Tuesday, 24 July 2012
Record Date for determining entitlement to Entitlement Issue	Wednesday, 25 July 2012
Entitlement Issue opens	Friday, 27 July 2012
Entitlement Issue closes	Monday, 13 August 2012
Entitlement Issue shares commence trading on a deferred settlement basis	Tuesday, 14 August 2012
ASX notified of under-subscriptions	Thursday, 16 August 2012
Allotment of Entitlement Issue shares and despatch of shareholder statements	Tuesday, 21 August 2012
Normal trading of Entitlement Issue shares commences	Wednesday, 22 August 2012

All dates are indicative and subject to change. Kentor reserves the right to withdraw or vary the timetable without notice

Agenda

1. Capital Raising
- 2. Company Overview**
3. Board and Management
4. Murchison Gold Project – Australia
5. Jervois Copper Gold Project – Australia
6. Andash Gold Copper Project – Kyrgyz Republic
7. Risks

Company Overview

Kentor Gold Limited ("Kentor") is an Australian-based gold explorer and developer with projects located in Australia (Murchison and Jervois) and the Kyrgyz Republic (Andash). Kentor expects to commence gold production in CY2012 through its Burnakura project in Western Australia. The Company is also progressing a pipeline of advanced projects in Australia and the Kyrgyz Republic.

Capital structure

Listing	ASX: KGL
Shares on issue	106.2m
Share price (as at 09/7/12)	\$0.75
Market capitalisation	\$79.7m
Options on issue	5.8m (unlisted)
Cash (as at 30 June 2012)	\$9.9 m
Listed	17 May 2005

Substantial shareholders

Major shareholders	KMP Investments Pte Ltd – 14.7%
	Bank Julius Baer – 4.5%
	Macquarie Bank – 3.2%

Projects

Murchison Gold Project

- Located in Western Australia
- Burnakura to commence production in mid-2012
- Initial production of 24,000 oz p.a.
- Potential to expand production via Gabanintha

Jervois Copper & Base Metals Project

- Located in the Northern Territory
- High grade copper & base metals resource
- Currently in feasibility
- Targeting 2014 for commencement of production

Andash Gold-Copper Project

- Located in the Kyrgyz Republic
- Very low cost project .
- Development ready, awaiting local approval
- Targeting 2013 production of 70,000 oz Au and 7,400 tonnes copper p.a.

Corporate Structure



80%

100%

Andash Mining Company (Kyrgyz Republic)

Jinka Minerals (Australia)

100%

100%

100%

Andash
Gold Copper

Jervois
Copper Silver
Gold Lead
Zinc

Murchison
Gold



*Kentor also has a 100% owned subsidiary, Kentor Energy Ltd, that is exploring the possibility of geothermal power generation in the Solomon Islands. This asset is non-core and expected to be divested at the appropriate time.

Kentor - Resources

	Tonnes (mt)	Grade Au g/t	Grade Cu%	Grade Ag g/t	Gold (oz)	Copper (t)	Silver (Oz)
Andash Inferred	0.38	0.93	0.25		11,350	950	
Jervois Inferred	11.9		1.3	25.2		150,500	9,700,000
Burnakura Inferred	10.6	1.5			516,000		
Gabanintha Inferred	4.5	1.4			203,000		
Andash Indicated	15.12	1.0	0.38		532,643	57,770	
Andash Measured	4.08	1.04	0.48		149,046	19,538	
Total Resources	46.58				1,412,039	228,758	9,700,000

Agenda

1. Capital Raising
2. Company Overview
- 3. Board and Management**
4. Murchison Gold Project – Australia
5. Jervois Copper Gold Project – Australia
6. Andash Gold Copper Project – Kyrgyz Republic
7. Risks

Experienced Board



John Barr AM, MAICD

Chairman, Non-Executive (Former director Oxiana, Transurban, Acacia and Iluka)



Simon Milroy B.Eng (Mining)

Managing Director (Formerly GM Project Development for Pan Aust, former Mining Manager Kingsgate)



Hugh McKinnon B.Eng. (Mining)

Executive Director, Country Manager (Has worked on mining and exploration projects across Central Asia since 1996. Resides in the Kyrgyz capital of Bishkek and speaks Russian)



Andrew Daley BSc (Hons) (Mining)

Director, Non-executive (Andrew has a background in corporate finance and has served as a director in a number of resource companies.)



John Taylor B. Eng (Chemical); MBA

Director, Non Executive (previously the MD of Outotec Australasia and is a director of Heemskirk.)

Senior Management



Gerard Kelly

Chief Financial Officer



Patrick Baldock

General Manager – Murchison Gold Project



Kelvin Russell

General Manager
Corporate Finance



Rudy Lennartz

Project Manager – Jervois Project



Kylie Anderson

Company Secretary



Keith Mayes

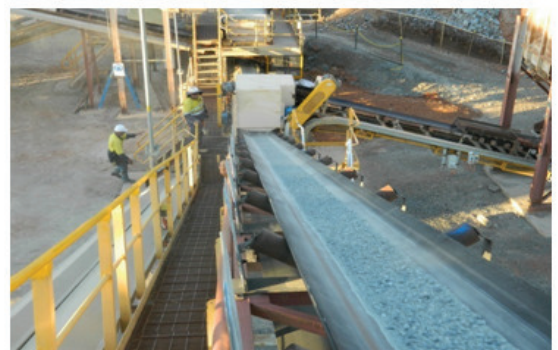
Chief Operating Officer -
Australia

Agenda

1. Capital Raising
2. Company Overview
3. Board and Management
4. Murchison Gold Project – Australia
5. Jervois Copper Gold Project – Australia
6. Andash Gold Copper Project – Kyrgyz Republic
7. Risks

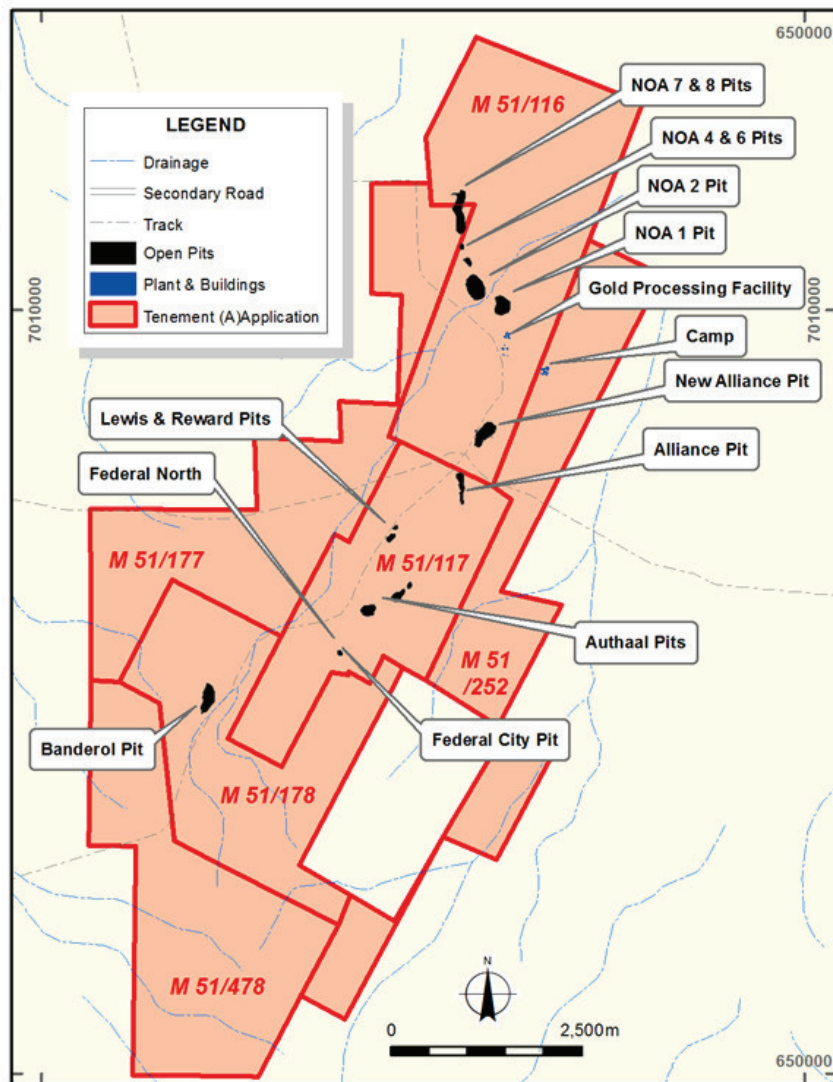
Murchison Project: Overview

- Acquired Jinka Minerals in 2011
- Near term cash flow from commencement of production at Burnakura (cash positive in June 2013)
- Four stage production expansion process
- Existing plant and mining infrastructure
- Significant exploration upside

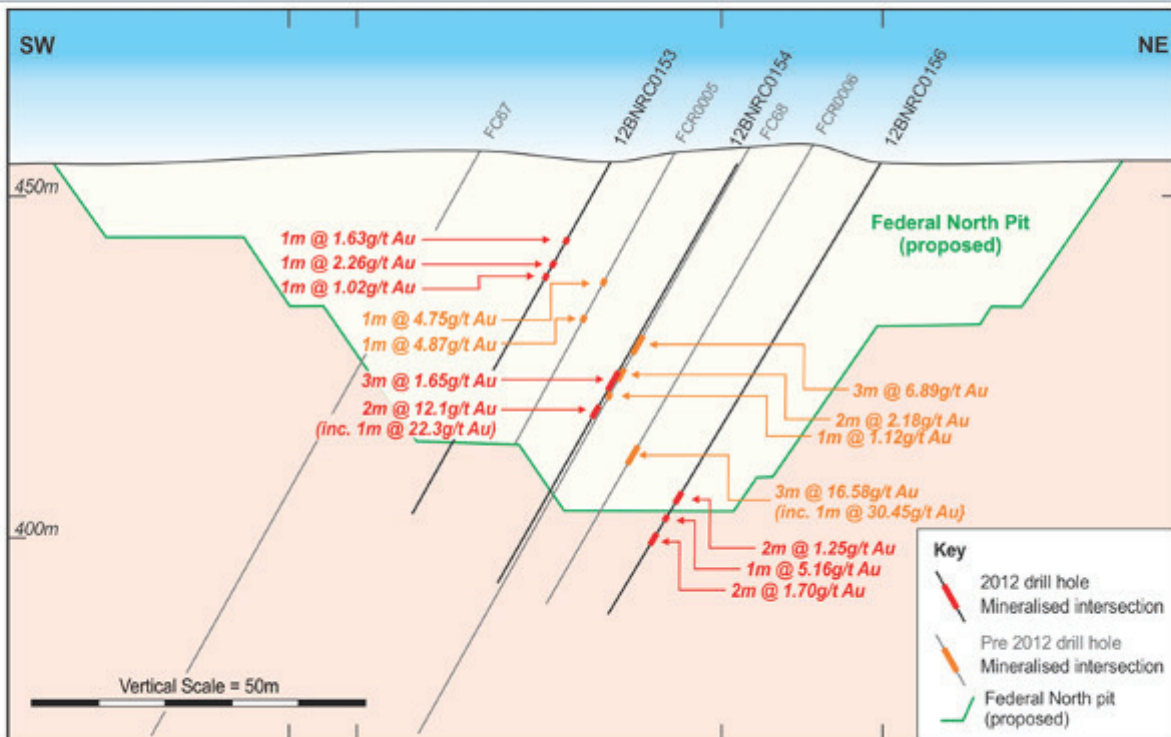


Murchison Gold Project

- Burnakura 16,000m RC completed
- Gabanintha 2,000m RC completed
- 20 open pits and one underground mine

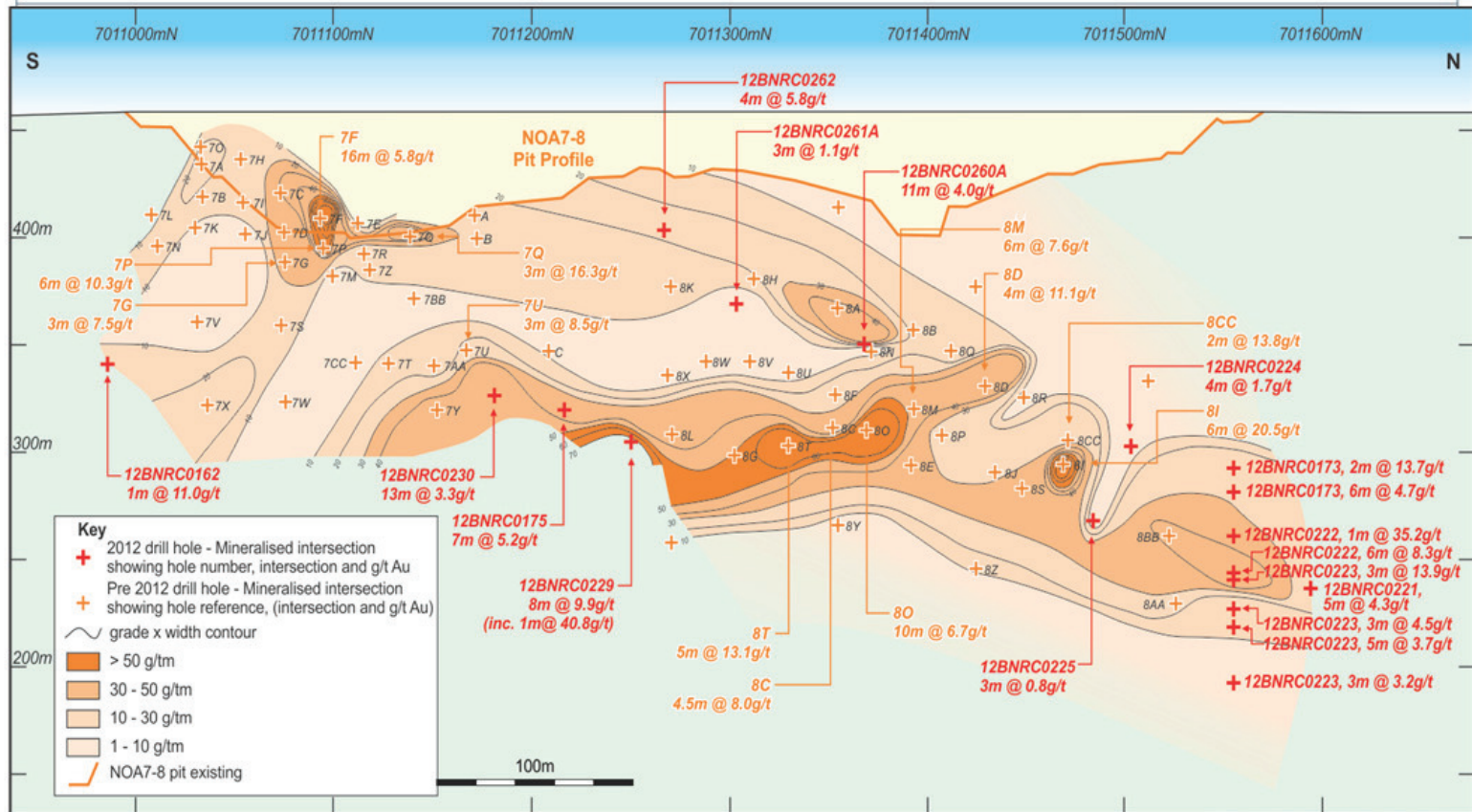


Federal North Pit



Cross section looking north-west through the proposed Federal North pit, 20m wide section, showing results from recent RC drilling and significant results from historic RC drilling.

NOA 7 and 8 Long Section Showing g/t * m Interval



Four Stage Growth Strategy

Stage 1 Refurbish and restart existing CIL Plant

Stage 2 Add a heap leach circuit to treat low grade ore

Stage 3 Expand plant to 500,000 tpa

Stage 4 Flotation of copper gold ore

Mining in Reward Pit



25

KENTOR GOLD LTD

Stage 1 - Restart CIL Plant

- Expand to 260,000 tpa
- Commence production in June 2012
- Initial Production Rate 24,000 oz gold p.a.
- Capital cost \$14.8m
- Stage 1 cash cost \$1,224 / oz
- High grade production – 3 g/t gold



26

KENTOR GOLD LTD



Crushing and Heap Leaching Equipment



Note: Photographs of equipment on site at the Indee mine site

Agenda

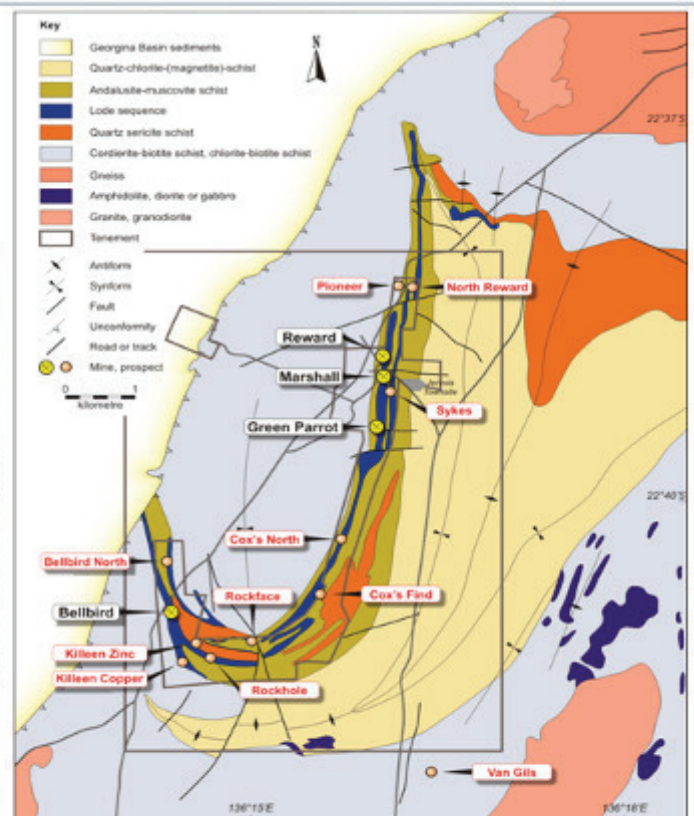
1. Capital Raising
2. Company Overview
3. Board and Management
4. Murchison Gold Project – Australia
5. Jervois Copper Gold Project – Australia
6. Andash Gold Copper Project – Kyrgyz Republic
7. Risks

29

KENTOR GOLD LTD

Jervois Copper Project

- 100% Interest
- Granted Mining License
- Land Holding 38 km²
- 12km of prospective strike



30

KENTOR GOLD LTD

Jervois Project: Overview

- Copper and base metal project located in Northern Territory
- Significant resource with major exploration upside
- Aggressive drilling program delivering positive results
- Initial metallurgical test work positive
- Fast tracked to development
- Potential to become Kentor's largest project
- Definitive Feasibility Study Underway (\$9m)

Chalcopyrite in drill core from Hole RJ 205 508m – 509m down hole

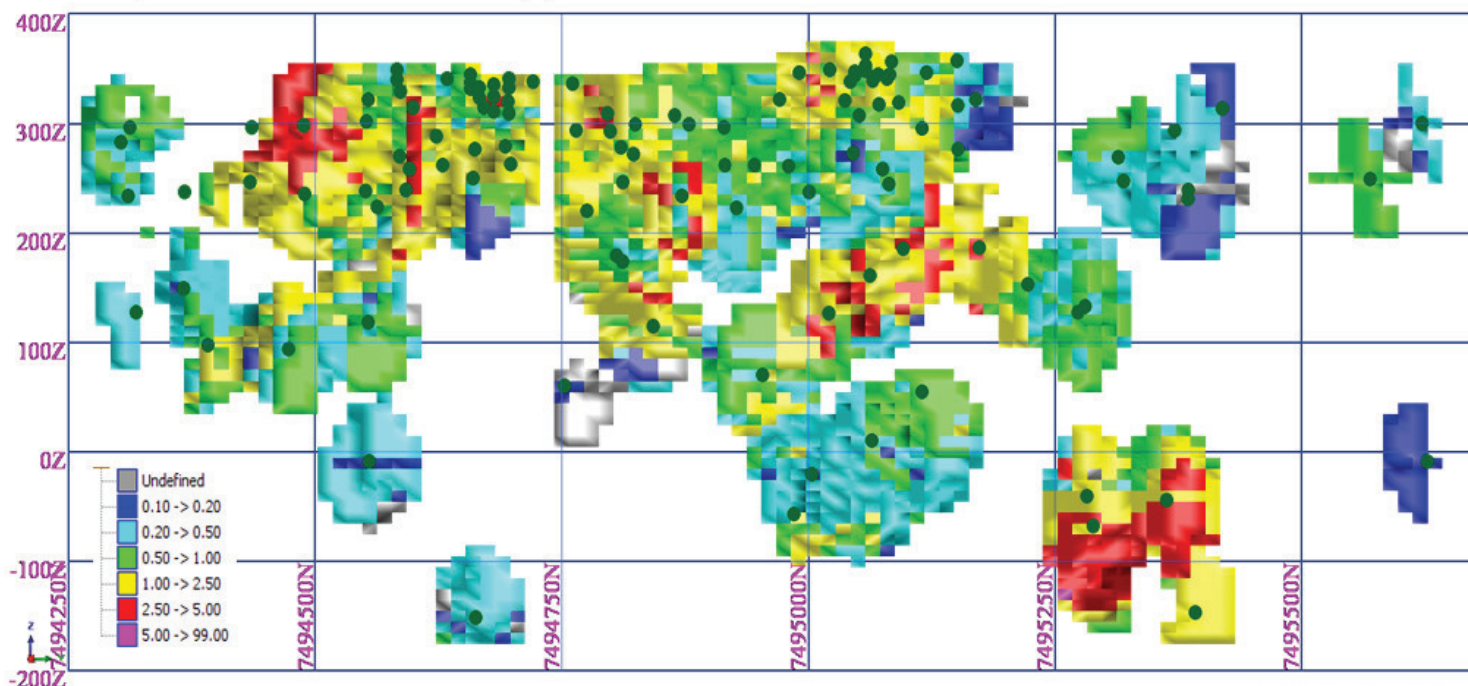


31

KENTOR GOLD LTD

Reward Ore Body Long Section

- Inferred Copper Resource of 11.9 Mt @ 1.3% Cu and 25.2 g/t Ag
- 150,500t of contained copper and 9.7 m oz contained silver



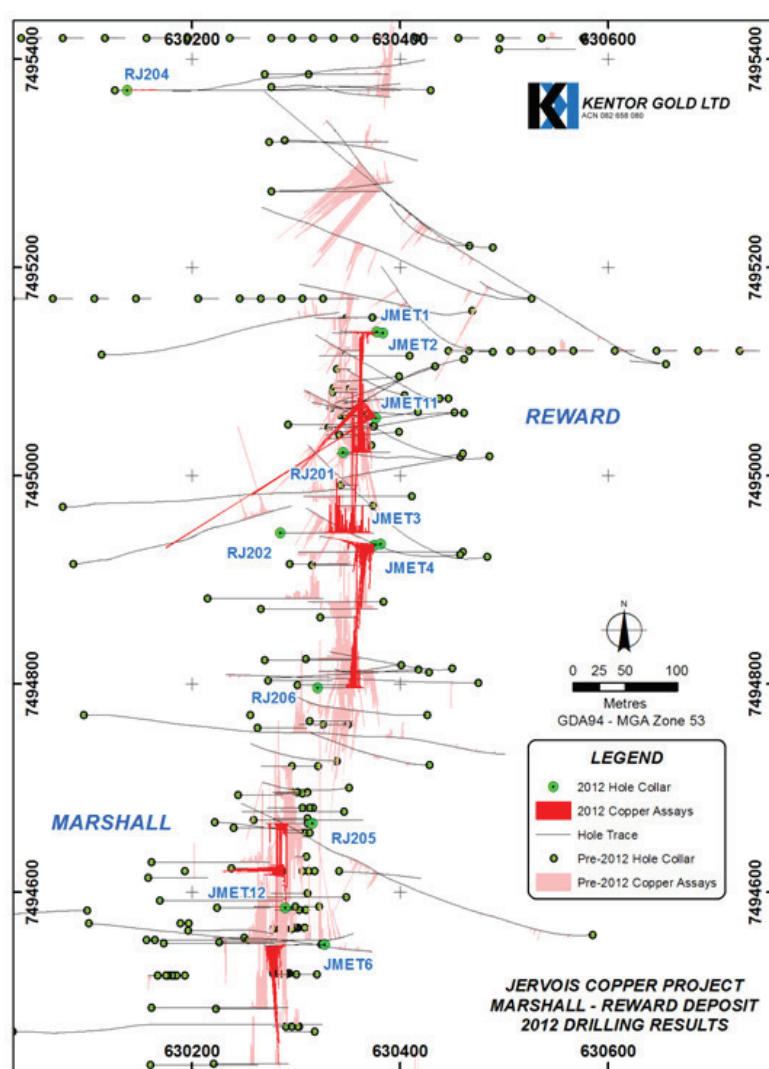
32

KENTOR GOLD LTD

Exploration Results

2012 Exploration Results

- 60m @ 1.3 % Cu, 113.3 g/t Ag JMET 11
- 33.8m @ 1.79% Cu, 28.5 g/t Ag RJ201
- 53.5m @ 1.08% Cu, 24.9 g/t Ag RJ202
- 16.3m @ 1.87% Cu, 55.3 g/t Ag JMET3
- 10.3m @ 2.1% Cu, 13.3 g/t Ag JMET4
- 12m @ 3.72% Cu, 40.7 g/t Ag RJ206
- 4.2m @ 6.6% Cu, 30 g/t Ag JMET2
- 21.4m @ 3% Cu, 40.1 g/t Ag JMET6
- 7m @ 2.3% Cu, 23.4 g/t Ag JMET8
- 25m @ 1.5% Cu, 28.2 g/t Ag JMET12



Agenda

1. Capital Raising
2. Company Overview
3. Board and Management
4. Murchison Gold Project – Australia
5. Jervois Copper Gold Project – Australia
6. Andash Gold Copper Project – Kyrgyz Republic
7. Risks

Andash: Project Overview

- Advanced gold-copper project
- Development ready status awaiting final approval
- Significant resource & reserve base
- Potential for further regional consolidation
- Developing one of the world's lowest cost gold mines

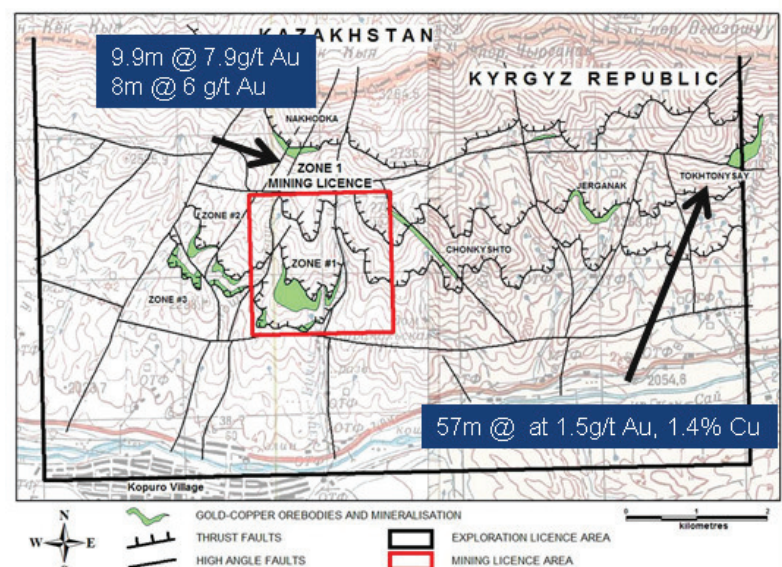


35

KENTOR GOLD LTD

Andash Project

- Feasibility study complete (Mar 2010)¹
- Independent Environmental Review to go ahead
 - Project to proceed once review completed and agreement reached with local community
- One of the world's lowest cost gold mines
 - Low Strip Open pit
 - Standard Flotation
 - High grade concentrate
- Excellent Exploration Potential
 - Further upside from Zones 2 & 3
 - Potential 10+years mine life

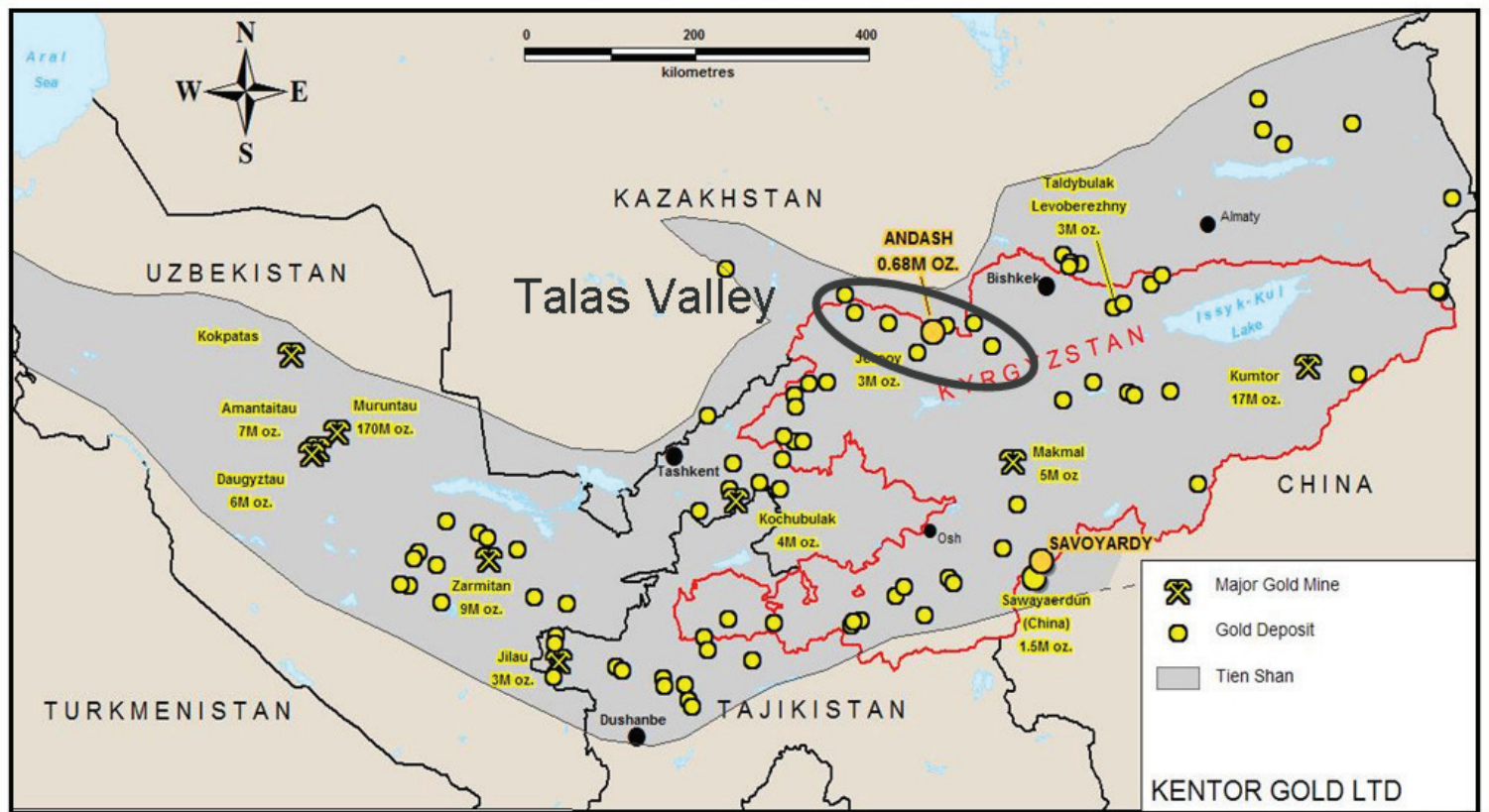


¹Debt facility of US\$50m approved by Macquarie Bank in October 2010 for construction of the Andash Copper-Gold Project. This debt facility expired due to delays to development. Kentor expects a new agreement to provide debt financing for this project can be reached once government approvals are granted.

36

KENTOR GOLD LTD

Tien Shan Gold Belt

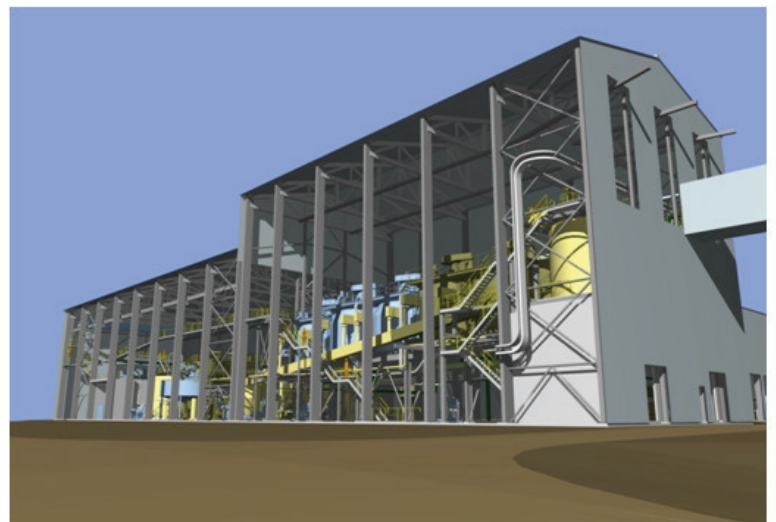


37

KENTOR GOLD LTD

Andash Project

- 1.6mtpa to 3.2mtpa throughput
- Simple and conventional open pit and flotation plant
- 3 stage crush, grind, float process
- Average annual production:
 - 70,000 oz Au and 7,400t Cu
 - High grade concentrate 24.5% Cu and 72 g/t Au
- No deleterious elements
- Initial mine life 6 years
- Resource/reserve expansion likely to significantly increase mine life

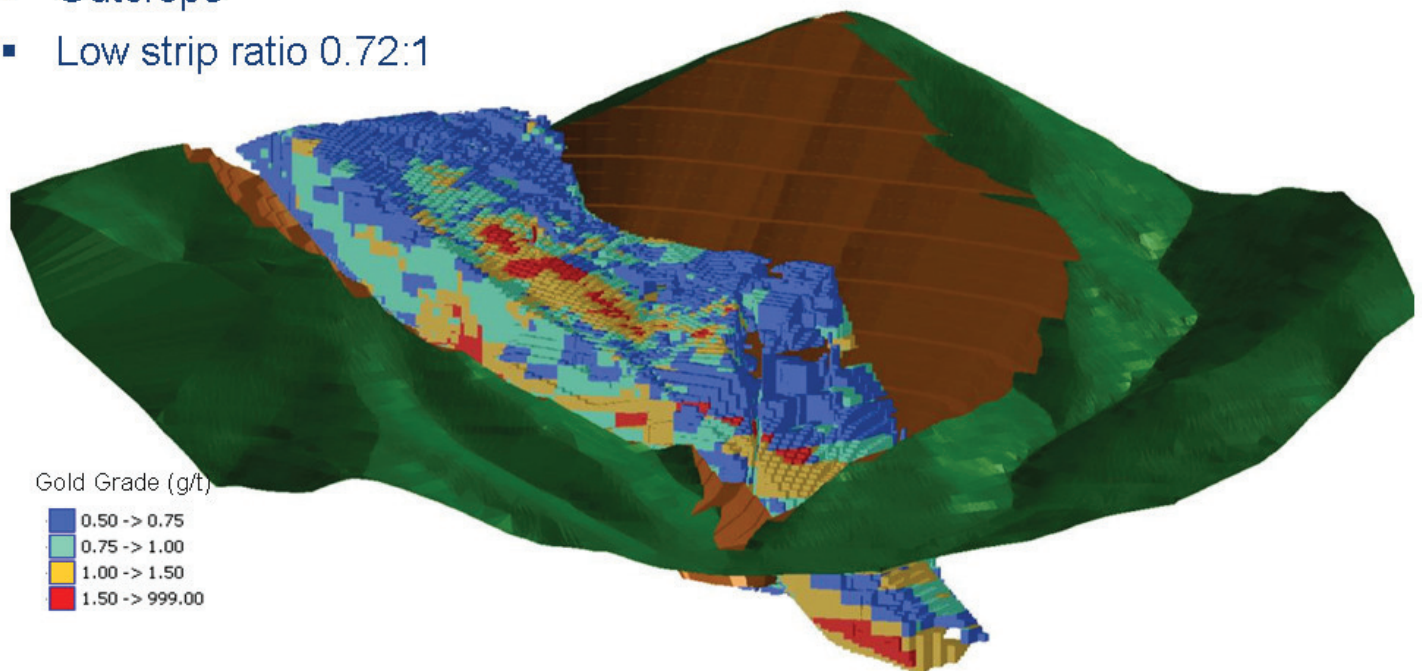


38

KENTOR GOLD LTD

Andash Open Pit and Ore Body

- Wide ore body, bulk mining
- Outcrops
- Low strip ratio 0.72:1

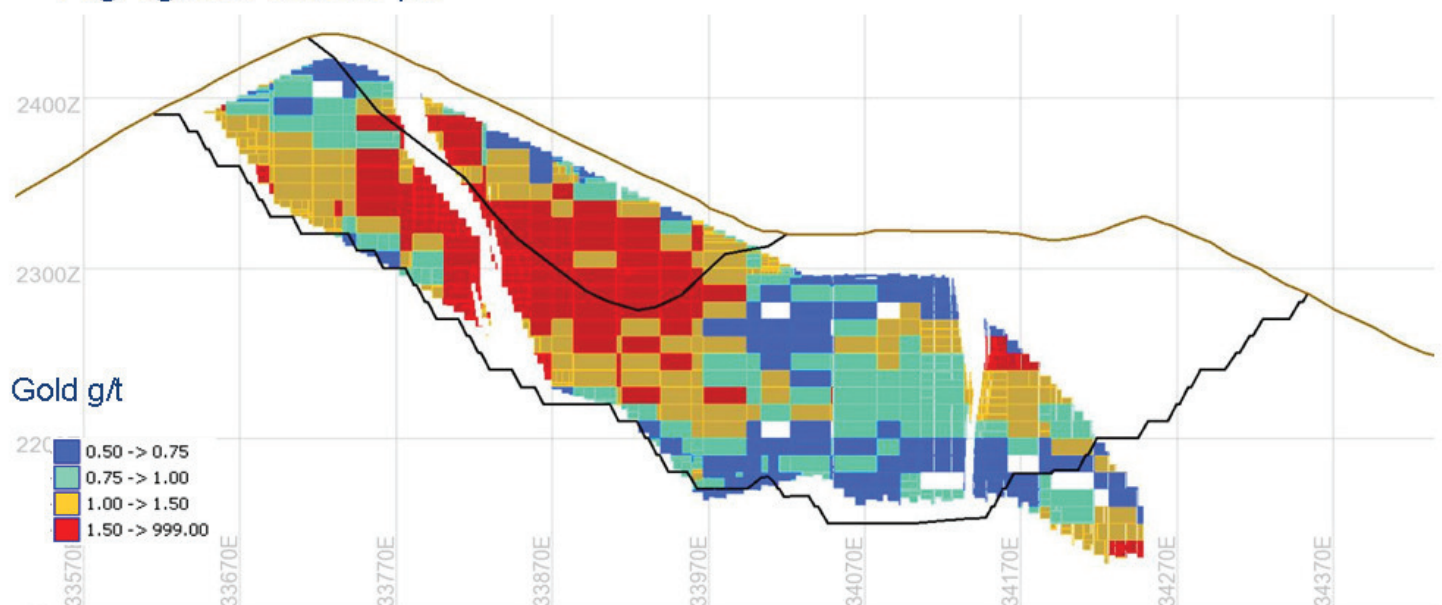


39

KENTOR GOLD LTD

Andash Long Section through Block Model

- Low strip ratio
- Base of pit follows footwall
- High grade starter pit



40

KENTOR GOLD LTD

Andash Project Economics (KGL 80%)

- Cash cost US\$29/oz Au (after Cu credits and royalty)
- Capital Cost US\$96m¹
- Base Case NPV US\$130m
 - US\$1,000/oz Au & US\$2.75/lb Cu
- Corporate Income Tax 10%
- Sales Tax 1.5%
- Royalties – Gold 5%, Copper 3%

Cost component (US\$/t)	Phase 1 (1.5mtpa)	Phase 2 (3mtpa)
Mining	3.46	3.46
Processing	8.62	7.09
G&A	3.38	1.69
Total	15.46	12.24

Project NPV (US\$)

Gold Price (US\$/oz)	Copper Price (US\$/lb)				
	2.25	2.75	3.25	3.75	4.25
800	56	83	110	138	165
1,000	103	130	157	185	212
1,200	150	177	204	231	258
1,400	197	223	251	278	305
1,600	243	271	298	325	352

¹To be revised upon gaining development approval

Andash – Steps to production

1. Completion of International Environmental Review



2. Obtain local community approval



3. Complete geotechnical investigation of plant site and tailings facility

- Concurrently complete approval of basic design and ESIA by government authorities (waiting on geotech results and public hearing)



5. Refresh construction and supply contracts



6. Commence work

Agenda

1. Capital Raising
2. Company Overview
3. Board and Management
4. Murchison Gold Project – Australia
5. Jervois Copper Gold Project – Australia
6. Andash Gold Copper Project – Kyrgyz Republic
7. Risks

Risks – General Investment Risks

General Investment Risks:

- Economic conditions and business climate in Australia and overseas, specifically the Kyrgyz Republic
- Stock market fluctuations
- Commodity price fluctuations
- Liquidity of shares and lack of an active market
- Dilution of shareholding due to future capital raisings
- Changes in fiscal, monetary, regulatory and other government policies in Australia and the Kyrgyz Republic.
- Geo-political conditions such as acts or threats of terrorism or military conflicts
- Sovereign risk issues
- Any future changes to tax law or accounting standards

Risks - Company Specific

Company Specific Risks:

▪ Kyrgyz Legislation

The Kyrgyz Government and Parliament are considering a number of changes to legislation and regulations. Four draft laws, that may effect the areas of company taxation, royalties payable from gold operations, mining and exploration tenements, were endorsed by Parliament on the 26th of June, the last day before the two month summer recess. The draft laws are now before the President, who may ratify them or reject them. A further three proposed laws are being drafted by government now. No legislative changes have been passed and no specific changes have been endorsed however, changes in these areas may have an impact on Kentor's projects in the Kyrgyz Republic.

There have been numerous statements and proposals made in relation to the country's major gold mine at Kumtor, owned by Centerra. These statements are specific to Kumtor and no indication has been made that these comment or proposals will effect other mining project in the Kyrgyz Republic.

▪ Licences and Permits

Permits relating to the Andash exploration licence were due for renewal as of 31 December 2011. An application was submitted in full compliance with the governing regulations, but no response has yet been received from the State Agency for Geology and Mineral Resources. Additionally, AMC is seeking to obtain an amendment to the terms of its mining licence. Currently the mining licence agreement requires the commencement of production in 2012. KGL has requested this be amended to reflect the delays that have been encountered in gaining land access.

▪ Land Access

The process to obtain approval from the entire community of the Kopuro Bazar village, located near the Andash Project site, to enable the Andash Project to proceed is still ongoing. An environmental audit by an independent consultant is now underway in order to address the concerns of some of the community in regard to the environmental impact of the project. This is expected to be a 2-3 month process. Progress toward obtaining such approval has slowed. To date a majority of households in the village have expressed support for the project with an influential minority opposing development. The Company plans to provide a 1% royalty to community development projects in the local village, district and province, and direct participation in profits of the project for every household in the village. This has been included in the financial model.

Risks - Company Specific

▪ Environmental Risks

The operations and proposed activities of AMC are subject to laws and regulation concerning the environment. In the Kyrgyz Republic, the Company's operations and activities are subject to the environmental laws and regulations of the Kyrgyz Republic. As with most exploration projects and mining operations, the activities of AMC are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. KGL and AMC attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. The Company's environmental plans will be subjected to an independent audit with results expected in 2-3 months.

▪ Resource Estimations and Production Estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should KGL encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the operations of KGL.

▪ Key Personnel

The success of KGL depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate in the metals and mining industry and the ability of KGL to retain its key executives.

▪ Asset impairment for Andash mining project

Kentor Gold Limited received an unqualified audit report for the period ending 31 Dec 2011 however the audit report did contain an *Emphasis of Matter* that drew attention to a disclosure in the financial notes regarding "consideration of asset impairment for Andash Mining Project". The note concluded that the directors had considered a detailed risk assessment of the project's likely development at the year end, considering the developments in the last twelve months, and were confident that the project was still very likely to proceed. Therefore, no impairment losses were recognised at 31 December 2011. If the Andash Mining Project was not to proceed (or directors formed a view that this was likely) there is a risk that the value of this asset would be impaired and written down in the company's accounts.

Risks - Company Specific

▪ Exploration, development, mining and processing risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- *successful conclusions to feasibility studies;*
- *access to adequate capital for project development;*
- *design and construction of efficient mining and processing facilities within capital expenditure budgets;*
- *securing and maintaining title to tenements and compliance with the terms of those tenements;*
- *obtaining consents and approvals necessary for the conduct of exploration and mining; and*
- *access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.*

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of KGL.

▪ Capital Raising Risk

If a significant number of Eligible Shareholders do not participate in the Rights Issue, a substantial shortfall may result that is in excess of the value of the Underwritten Shares. Should this occur, the Company will revise the use of funds to match the total amount raised through the Placement and the Rights Issue. This may result in some of the Company's projects being delayed or having the extent of the scope reduced.

Disclaimer

Competent Persons Statements

- The information in this report that relates to mineral resource estimation for Gabanintha and Burnakura is based on work completed by Mr Jonathon Abbott is a member of the Australasian Institute of Mining and Metallurgy. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- The data in this report that relates to Mineral Resource Estimates for Jervois is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a full-time employee of Hellman & Schofield Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.
- The Resource estimates for Andash in this report are based on information compiled by Dr. Phil Newall, who is a Chartered Engineer and Fellow of the Institute of Materials Minerals and Mining and a full time employee of Wardell Armstrong International. Dr. Newall has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr. Newall has consented to the inclusion of this information in the form and context in which it appears in this report.
- The exploration data in this report relating to the Jervois project is based on information compiled by Rudy Lennartz, who is a member of the Australian Institute of Mining and Metallurgy and a full time employee of Jinka Minerals Ltd. Mr. Lennartz has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Lennartz has consented to the inclusion of this information in the form and context in which it appears in this report.
- The information in this report that relates to exploration results for Murchison is based on work completed by Mr Keith Mayes who is a full-time employee of Kentor Gold Limited and a Fellow of the Geological Society of London. Mr Mayes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mayes has consented to the inclusion of this information in the form and context in which it appears in this report.

For more information contact

Simon Milroy on +61 7 3071 9003
or visit www.kentorgold.com

ASX Code: KGL

Level 9, 40 Creek Street,
Brisbane, QLD, AUSTRALIA 4000

Fax: +61 7 3071 9008

Forward-Looking Statements:

This presentation includes certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of Kentor Gold Limited are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

(This page has been left blank intentionally)

CORPORATE DIRECTORY

Registered Office

Level 9, 40 Creek Street
Brisbane, QLD Australia 4000

Telephone (07) 3121 3206

Facsimile: (07) 3121 3030

Website

www.kentorgold.com.au

ASX code

KGL

ABN

52 082 658 080

Directors

John Barr

Andrew Daley

John Taylor

Simon Milroy

Hugh McKinnon

Company Secretary

Kylie Anderson

Joint Lead Managers

RBS Morgans Corporate Limited
Level 9 RBS Tower
Cnr Phillip & Bent Streets
Sydney NSW 2000
Australia

Helmsec Global Capital Limited
Level 17
15 Castlereagh Street
Sydney NSW 2000
Australia

Underwriter

KMP Investments Pte Ltd
150 South Bridge Road
#11-04 Fook Hai Building
Singapore 058727

Registry

Link Market Services Limited
Level 1
333 Collins Street
Melbourne VIC 3000
Australia
Telephone (within Australia): 1300 366 176
Telephone (overseas): +612 8280 7420
Website: www.linkmarketservices.com.au

Legal Adviser

Herbert Geer
Level 20
385 Bourke Street
Melbourne VIC 3000
Australia

(This page has been left blank intentionally)